

STATE BONDING FUND
INVESTMENT PERFORMANCE REPORT AS OF JUNE 30, 2006

	June-06					March-06				December-05				September-05				Current FYTD	Prior Year FY05	3 Years Ended 6/30/2006	5 Years Ended 6/30/2006
	Allocation		Quarter	Month	Net ROR	Allocation		Quarter	Allocation		Quarter	Allocation		Quarter	Net	Net	Net	Net			
	Market Value	Actual	Policy	Net ROR		Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Market Value					Actual	Policy	Net ROR
LARGE CAP DOMESTIC EQUITY																					
Structured Growth																					
Los Angeles Capital	72,450	2.7%	2.8%	-2.57%	0.29%	76,812	2.8%	2.8%	4.95%	76,107	2.9%	2.8%	3.06%	77,294	2.9%	2.8%	5.45%	11.12%	7.56%	N/A	N/A
Total Structured Growth	72,450	2.7%	2.8%	-2.57%	0.29%	76,812	2.8%	2.8%	4.95%	76,107	2.9%	2.8%	3.06%	77,294	2.9%	2.8%	5.45%	11.12%	7.56%	12.01%	-0.32%
Russell 1000 Growth				-3.90%	-0.39%				3.09%				2.98%				4.01%	6.12%	1.68%	8.35%	-0.76%
Structured Value																					
LSV	77,311	2.9%	2.8%	1.25%	1.12%	79,531	2.9%	2.8%	6.54%	73,722	2.8%	2.8%	1.52%	77,827	2.9%	2.8%	5.06%	15.05%	18.35%	21.14%	12.22%
Russell 1000 Value				0.59%	0.64%				5.93%				1.27%				3.88%	12.10%	14.06%	15.70%	6.89%
Russell 1000 Enhanced Index																					
LA Capital	141,568	5.2%	5.6%	-2.36%	0.55%	142,541	5.2%	5.6%	4.96%	151,184	5.7%	5.6%	2.29%	154,375	5.8%	5.6%	6.45%	11.58%	7.93%	N/A	N/A
Russell 1000				-1.66%	0.13%				4.49%				2.12%				3.95%	9.08%	7.92%	N/A	N/A
S&P 500 Enhanced Index																					
Westridge	166,530	6.2%	5.6%	-1.40%	0.15%	166,031	6.1%	5.6%	4.26%	157,261	5.9%	5.6%	2.10%	149,468	5.6%	5.6%	3.64%	8.77%	6.58%	N/A	N/A
S&P 500				-1.44%	0.14%				4.21%				2.09%				3.60%	8.63%	6.32%	N/A	N/A
Index																					
State Street	51,502			-0.58%	1.06%	50,916			4.19%	48,257			2.07%	49,517			3.58%	9.51%	6.27%	11.47%	2.62%
Total Index	51,502	1.9%	1.9%	-0.58%	1.06%	50,916	1.9%	1.9%	4.19%	48,257	1.8%	1.9%	2.07%	49,517	1.9%	1.9%	3.58%	9.51%	6.27%	11.47%	2.62%
S&P 500				-1.44%	0.14%				4.21%				2.09%				3.60%	8.63%	6.32%	11.22%	2.49%
TOTAL LARGE CAP DOMESTIC EQUITY	509,361	18.8%	18.8%	-1.39%	0.51%	515,830	18.9%	18.8%	4.88%	506,531	19.0%	18.8%	2.20%	508,482	19.0%	18.8%	4.97%	10.95%	8.89%	13.63%	3.95%
S&P 500				-1.44%	0.14%				4.21%				2.09%				3.60%	8.63%	6.32%	11.22%	2.49%
SMALL CAP DOMESTIC EQUITY																					
Manager-of-Managers																					
SEI	168,295	6.2%	6.3%	-5.84%	-0.45%	176,684	6.5%	6.3%	13.24%	170,567	6.4%	6.3%	0.98%	168,733	6.3%	6.3%	5.49%	13.58%	9.32%	18.20%	7.84%
Russell 2000 + 200bp				-4.54%	0.81%				14.49%				1.64%				5.21%	16.86%	11.64%	21.06%	10.38%
TOTAL SMALL CAP DOMESTIC EQUITY	168,295	6.2%	6.3%	-5.84%	-0.45%	176,684	6.5%	6.3%	13.24%	170,567	6.4%	6.3%	0.98%	168,733	6.3%	6.3%	5.49%	13.58%	9.32%	18.20%	7.86%
Russell 2000				-5.02%	0.64%				13.94%				1.13%				4.69%	14.58%	9.45%	18.70%	8.50%
INTERNATIONAL EQUITY																					
Large Cap - Active																					
Capital Guardian	105,089	3.9%	4.0%	-2.84%	0.26%	110,026	4.0%	4.0%	7.20%	121,236	4.5%	4.0%	9.66%	112,860	4.2%	4.0%	12.14%	28.07%	10.32%	20.99%	6.90%
LSV	101,369	3.7%	4.0%	-1.56%	-3.14%	114,282	4.2%	4.0%	11.23%	107,658	4.0%	4.0%	4.34%	113,701	4.2%	4.0%	11.25%	27.09%	N/A	N/A	N/A
Total Large Cap - Active	206,458	7.6%	8.0%	-2.17%	-1.48%	224,308	8.2%	8.0%	9.20%	228,894	8.6%	8.0%	6.99%	226,561	8.5%	8.0%	11.70%	27.66%	13.23%	21.92%	12.63%
MSCI EAFE - 50% Hedged				-1.29%	0.67%				9.20%				5.84%				11.07%	26.72%	14.41%	22.56%	6.89%
Small Cap - Value																					
Lazard	25,440	0.9%	1.0%	-1.58%	-0.81%	29,461	1.1%	1.0%	10.94%	26,883	1.0%	1.0%	3.01%	27,176	1.0%	1.0%	9.94%	23.65%	18.18%	28.06%	N/A
Citigroup Broad Market Index < \$2BN				-3.13%	-2.20%				9.34%				8.94%				12.05%	29.28%	21.33%	32.40%	N/A
Small Cap - Growth																					
Vanguard	25,502	0.9%	1.0%	-1.88%	-2.15%	28,480	1.0%	1.0%	13.70%	27,756	1.0%	1.0%	4.92%	27,496	1.0%	1.0%	10.41%	29.24%	24.11%	32.39%	N/A
Citigroup Broad Market Index < \$2BN				-3.13%	-2.20%				9.34%				8.94%				12.05%	29.28%	21.33%	32.40%	N/A
TOTAL INTERNATIONAL EQUITY	257,400	9.5%	10.0%	-2.18%	-1.57%	282,248	10.3%	10.0%	9.83%	283,532	10.6%	10.0%	6.40%	281,233	10.5%	10.0%	11.40%	27.35%	15.34%	23.83%	8.67%
MSCI EAFE - 50% Hedged				-1.29%	0.67%				9.20%				5.84%				11.07%	26.72%	14.41%	22.56%	6.89%
DOMESTIC FIXED INCOME																					
Core Bond																					
Western Asset	519,211	19.2%	18.3%	-0.34%	0.23%	512,171	18.8%	18.3%	-0.44%	498,621	18.7%	18.3%	0.28%	497,705	18.6%	18.3%	-0.41%	-0.90%	7.14%	7.36%	8.59%
Lehman Aggregate				-0.08%	0.21%				-0.65%				0.59%				-0.67%	-0.81%	6.80%	2.05%	4.97%
Index																					
Bank of ND	468,423	17.3%	18.3%	-0.03%	0.24%	458,453	16.8%	18.3%	-0.95%	448,616	16.8%	18.3%	0.56%	460,176	17.2%	18.3%	-0.72%	-1.14%	4.59%	1.14%	4.90%
Lehman Gov/Credit (1)				-0.14%	0.23%				-1.01%				0.60%				-0.96%	-1.52%	4.80%	1.04%	4.78%
BBB Average Quality																					
Wells Capital (formerly Strong)	518,351	19.2%	18.3%	-0.63%	0.10%	510,456	18.7%	18.3%	-1.02%	497,583	18.7%	18.3%	0.58%	492,054	18.4%	18.3%	-1.05%	-2.11%	9.14%	2.63%	N/A
Lehman US Credit BAA				-0.60%	0.16%				-1.20%				0.39%				-0.97%	-2.37%	8.60%	2.63%	N/A
TOTAL DOMESTIC FIXED INCOME	1,505,985	55.7%	55.0%	-0.33%	0.20%	1,481,080	54.3%	55.0%	-0.79%	1,444,819	54.2%	55.0%	0.46%	1,449,935	54.2%	55.0%	-0.73%	-1.39%	6.14%	6.59%	7.79%
Lehman Aggregate (2)				-0.08%	0.21%				-0.65%				0.59%				-0.67%	-0.81%	7.26%	1.84%	5.28%
CASH EQUIVALENTS																					
Bank of ND	264,291	9.8%	10.0%	1.26%	0.42%	273,636	10.0%	10.0%	1.17%	259,717	9.7%	10.0%	1.07%	267,314	10.0%	10.0%	0.93%	4.50%	2.46%	2.71%	2.42%
90 Day T-Bill				1.16%	0.38%				1.03%				0.92%				0.83%	4.00%	2.15%	2.37%	2.25%
TOTAL BONDING FUND	2,705,331	100.0%	100.0%	-0.76%	0.08%	2,729,478	100.0%	100.0%	2.39%	2,665,167	100.0%	100.0%	1.42%	2,675,696	100.0%	100.0%	2.15%	5.28%	6.62%	7.24%	5.20%
POLICY TARGET BENCHMARK				-0.62%	0.29%				2.29%				1.48%				1.78%	4.99%	6.74%	6.57%	5.10%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.

(2) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.